

61—26.5(552) Bond.

26.5(1) *Bond required.* A physical exercise club that accepts prepayments and does not establish an escrow account must post a bond in the amount of \$150,000 with the office of the attorney general, in a form deemed acceptable by the attorney general.

26.5(2) *Notice.* Notice of the existence of the bond must be disclosed to the buyer in the physical exercise club contract.

26.5(3) *Collection on the bond.* Either the attorney general or a buyer may collect on the bond in the same manner and on the same terms as provided for an escrow account. The aggregate liability of the surety for all refunds shall not exceed the amount of the bond. If refunds exceed the amount of the bond, distribution will be on a pro-rata basis.